

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

The FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

PROMESA  
Title III

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO, et al.,

(Jointly Administered)

Debtors.<sup>1</sup>

Re: ECF Nos. 9022, 9023, 10332,  
10593

**FINANCIAL GUARANTY INSURANCE COMPANY'S JOINDER  
IN AMBAC ASSURANCE CORPORATION'S MOTIONS  
FOR ENTRY OF ORDER AUTHORIZING DISCOVERY UNDER BANKRUPTCY  
RULE 2004 CONCERNING COMMONWEALTH ASSETS (ECF NO. 9022)  
AND CASH RESTRICTION ANALYSIS (ECF NO. 9023).**

Financial Guaranty Insurance Company ("FGIC") hereby respectfully submits this joinder (the "Joinder") in support of the relief sought in (1) Ambac Assurance Corporation's *Motion for Entry of Order Authorizing Discovery under Bankruptcy Rule 2004 Concerning Commonwealth Assets* (ECF No. 9022) and (2) Ambac Assurance Corporation's *Motion for Entry of Order Authorizing Discovery under Bankruptcy Rule 2004 Concerning Commonwealth*

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<sup>1</sup> The Debtors in these title III cases, along with each Debtor's respective title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (the Commonwealth, COFINA, HTA, ERS and PREPA, each a Debtor and collectively, the "Debtors") (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

*Cash Restriction Analysis* (ECF No. 9023) (together, the “Rule 2004 Motions”), and further state that:

1. Like Ambac, FGIC is a provider of financial guaranty insurance, whereby an insurer guarantees scheduled payments of principal and interest as and when due on a bond or other obligation. FGIC’s claims (Claim Nos. 109975, 101243, 120416) arise from its insurance of securities issued by numerous Puerto Rico public entities and instrumentalities, including the following: (i) general obligation bonds issued by the Commonwealth of Puerto Rico and (ii) secured revenue bonds issued by (a) HTA, (b) the Puerto Rico Convention Center District Authority (“CCDA”), and (c) the Puerto Rico Infrastructure Financing Authority (“PRIFA”).

2. On October 28, 2019, Ambac filed the Rule 2004 Motions seeking information from (i) the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as representative of the Commonwealth and (ii) the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) regarding the Commonwealth’s assets and cash as it relates to the Oversight Board’s Plan of Adjustment and Disclosure Statement. (ECF Nos. 8765 and 8766).

3. Shortly thereafter, the Oversight Board moved to strike the Rule 2004 Motions and impose sanctions against Ambac for its filing of the Rule 2004 Motions (ECF No. 9131) (the “Sanctions Motion”).

4. FGIC was prepared to immediately join the Rule 2004 Motions but abstained pending the resolution of the Sanctions Motion.

5. On January 23, 2020, the Court denied the Sanctions Motion and directed the parties to meet, confer, and file a joint status report. *See* Memorandum Order (ECF No. 10332).

6. On January 31, 2020, Assured Guaranty Corp. (“AGC”), Assured Guaranty Municipal Corp. (f/k/a Financial Security Assurance Inc.) (“AGM,” and together with AGC, “Assured”), and National Public Finance Guarantee Corp. (“National”) filed a substantially similar joinder (ECF No. 10593).

7. Through this Joinder, FGIC seeks to join in the relief requested in the Rule 2004 Motions for the purposes of receiving any documents obtained by Ambac as a result of the Rule 2004 Motions. FGIC also seeks to be included in the meet and confer process related to the Rule 2004 Motions as ordered by this Court, as well as to participate in any depositions taken in connection with the Rule 2004 Motions.

8. Rather than propounding substantially similar requests as Ambac, this Joinder will minimize any burdens on the Commonwealth, the Oversight Board, or AAFAF by consolidating the requests of Ambac, National, Assured, and FGIC into a joint proceeding.

9. FGIC, therefore, respectfully requests that any further order entered by the Court with respect to the Rule 2004 Motions expressly provide that FGIC shall receive all documents obtained by Ambac, Assured, and National as a result of the Rule 2004 Motions, be included in any “meet and confer” process related to the Rule 2004 Motions, and participate in any depositions taken in connection with the Rule 2004 Motions.

10. Nothing herein shall prejudice FGIC’s rights to independently seek Rule 2004 discovery, or other discovery, from the Oversight Board, AAFAF, the Commonwealth, or any other entity.

DATED: FEBRUARY 3, 2020

Respectfully submitted,

**REXACH & PICÓ, CSP**

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**CERTIFICATE OF SERVICE**

I hereby certify that I filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned cases.

DATED: FEBRUARY 3, 2020

By: /s/ Martin A. Sosland

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